

Interest on Lawyer Account

Mission

The Interest on Lawyer Account (IOLA) Fund was established in 1983 to finance civil indigent legal services. Revenues are derived from the interest earned on small trust accounts in which attorneys hold certain funds for their clients. Banks transfer the interest earned on these escrow accounts to the IOLA Fund to finance grants to not-for-profit, tax-exempt entities providing civil legal services to the indigent, elderly, disabled and others. Legislation enacted in 1988 made participation in IOLA mandatory for attorneys in private practice who hold nominal short term escrow accounts for clients. Regulations ensure that banking institutions pay a fair interest rate on IOLA escrow accounts; one that is not less than that paid on similar bank account types.

Organization and Staffing

The IOLA Fund is administered by a Board of Trustees who are appointed by the Governor for three-year terms. One member of the Board is appointed by the Governor to serve as Chair. The Board employs an Executive Director to serve as the Chief Administrative Officer to supervise the implementation of regulations, coordinate the review of applications, and supervise additional staff.

Budget Highlights

The FY 2024 Executive Budget recommends \$54.2 million in appropriations (\$2.2 million in State Operations, and \$52.0 million in Aid to Localities) and a workforce of 9 FTEs. This is an increase of \$7.0 million in Aid to Localities, largely due to increased revenues derived from the Fund, and no change to the staff size.

Program Highlights

IOLA funds are distributed through two-year grants in two program areas:

- **Civil Legal Services (CLS) Grant.** Awards are made to qualified organizations that provide civil legal services in multiple substantive areas free of charge to low-income persons in a particular geographic service area. Awards in the CLS program are for general operating support for organizations providing direct civil legal assistance to the poor.
- **Administration of Justice (AOJ) Grant.** Awards are made to providers of legal services to underserved groups and other groups with special needs. In addition to legal services, this program supports training events, program innovations, alternative dispute resolution programs, volunteer lawyer programs, and technology improvements that enhance legal service delivery.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available FY 2023	Appropriations Recommended FY 2024	Change From FY 2023	Reappropriations Recommended FY 2024
State Operations	2,165,000	2,224,000	59,000	0
Aid To Localities	45,000,000	52,000,000	7,000,000	0
Total	47,165,000	54,224,000	7,059,000	0

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	FY 2023 Estimated FTEs 03/31/23	FY 2024 Estimated FTEs 03/31/24	FTE Change
New York Interest on Lawyer Account			
Special Revenue Funds - Other	9	9	0
Total	9	9	0

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STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)

Fund Type	Available FY 2023	Recommended FY 2024	Change
Special Revenue Funds - Other	2,165,000	2,224,000	59,000
Total	2,165,000	2,224,000	59,000

STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)

Program	Available FY 2023	Recommended FY 2024	Change
New York Interest on Lawyer Account			
Special Revenue Funds - Other	2,165,000	2,224,000	59,000
Total	2,165,000	2,224,000	59,000

STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
FY 2024 RECOMMENDED
(dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
New York Interest on Lawyer Account	2,224,000	59,000	977,000	35,000
Total	2,224,000	59,000	977,000	35,000

Program	Nonpersonal Service	
	Amount	Change
New York Interest on Lawyer Account	1,247,000	24,000
Total	1,247,000	24,000

AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)

Fund Type	Available FY 2023	Recommended FY 2024	Change
Special Revenue Funds - Other	45,000,000	52,000,000	7,000,000
Total	45,000,000	52,000,000	7,000,000

NYS DOB | FY2024 Executive Budget | Agency Appropriations
AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
 (dollars)

Program	Available FY 2023	Recommended FY 2024	Change
New York Interest on Lawyer Account			
Special Revenue Funds - Other	45,000,000	52,000,000	7,000,000
Total	45,000,000	52,000,000	7,000,000

Note: Most recent estimates as of 02/01/2023